ISSUNI covering transactions relating to bank's own investment accounts on!;-,.

(> i) Banks should put in place a reporting system to report to the top management on a weekly basis the details of transactions in securities, details of bouncing of SGL forms issued by other banks and BRs outstanding for more than one month and review of investment transactions, undertaken during the period.

(viii) A disproportionate part of the business should not be transacted through one or few brokers.

(ix) Banks should undertake a half-yearly review of their investment portfolio and a copy of the review report put up to the bank's board should be forwarded to the RBI.

(x) Treasury transactions should be subjected to a concurrent audit by the internal auditors and the results of their audit should be placed before the Chairman & Managing Director of the bank once every month. The audit reports should be sent to a separate cell in RBI.

(c) Guidelines have been only recently issued.

Signink of fresh letter of intent with IMF

519. SHRI DIPEN GHOSH: Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that a fresh letter of intent has since been signed by Government with the IMF; and

(b) if so, what are the new target to be achieved as per the new letter of intent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR)- (a) Yes, Sir.

(b) A fresh letter of intent which was sent to the IMF on June 2, 1992 was laid on ths Table of the House on 10th July, 1992.

Follow up action on income tax raid on a Pharmaceutical Company

520. SHRI MENTAY PADMANABHAM: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 1938 given in the Rajya Sabha on 10th March, 1992 and state the details of follow up action taken against M/s Biological 'E' Ltd., Hyderabad, under the Income Tax Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): Subsequent to the searches conducted in M/s Biological 'E' Ltd. group of cases, necessary follow up actions have been taken under the Income Tax Act.

After a scrutiny of the seized materials, an appraisal report was prepared and; bant ded over to the assessing officer alongwith the seized books and documents. The cases of the Managing Director of M/s Biological "E' Ltd., Dr. Vijay Kumar Datla, his relatives and associates, have been centralised with the Central Circle at Hyderabad. Steps have been initiated to transfer the case of M/s Biological 'E' Ltd., hitherto assessed at Bombay, also to Hyderabad.

Orders u/s 132(5) of the Income Tax Act, 1961 have been passed in the relevant cases and seized assets to the extegt of Rs, 202..41 lakhs have been retained with the Department as unexplained. Valuation of some of the major immovable properties belonging to the Managing Director and members of his family has been completed by the Valuation Cell of the Income Tax Department. Investigations have revealed the existence of the some benami concerns of the Manag-ine Director. Further investigations have been taken up in this regard.

A writ petition was filed by the Managing Director of the Company before the Andhra Pradesh High Court for release of the seized assets. This was opposed by the Income Tax Department and the High Court dismissd the writ petition.